

Striking gold at the

# San Diego County Fair

The Del Mar Fairgrounds is an economic, social and cultural treasure for local communities. In 2002, the fair contributed \$255.6 million in economic impact to San Diego County, created 2,069 local jobs and generated nearly \$4 million in local tax revenues.<sup>1 2 3</sup>

The 22nd District Agricultural Association — the legal body governing the fair and fairgrounds — is a state entity. However, the association does not receive money from the state general fund. Rather, it is funded through revenues it generates locally and \$35,000 it receives annually from a licensing fee on wagers placed on horse racing. Pari-mutuel wagering on horse racing in California was allowed through a constitutional amendment in 1933, with a portion of the revenues designated to support the network of California fairs.

The California Department of Food and Agriculture's Division of Fairs and Expositions engaged the firm of KPMG LLP to measure the annual economic and social impacts of the San Diego County Fair and produce a report detailing their findings.<sup>4</sup> Based on information presented in this report, the fair organization should be considered a gold mine for their community and the Golden State.

## Economic Impact: At the Assayer's Office

In 2002, the fair organization created significant economic impacts on the local economy.

- Overall impact of spending by all participants at fairtime and year-round events resulted in a total economic impact on the county of \$255.6 million.<sup>5</sup>
- Attendee direct spending at fairtime and year-round events totaled about \$123.9 million.
- Annual personal income impact from attendee, fair organization and fair-related business spending exceeded \$63.6 million.
- Full-time equivalent jobs created by the fair organization through direct employment and indirect impacts reached 2,069.
- City and county governments collected an estimated total of \$4 million in tax revenues from year-round activities held at the fairgrounds.
- For each worker the fair organization and related business employs, an estimated 2.24 additional jobs are created in the county. For each dollar that economic participants pay their employees, an estimated \$2.26 in total personal income is produced in the local economy.
- Each dollar spent by the fair organization and year-round event participants generates an estimated 27 cents of additional spending in the county, for a total impact of \$1.27 per dollar spent.

## Agriculture: The Gold Nugget

A central feature of the fair is to educate people about the importance of agriculture in California.

- Seventy-four percent of fairgoers felt that they knew more about agriculture after going to the fair.
- The fair is a critical part of the local junior livestock program, which educates young people about the breeding, raising and grooming of farm animals. The junior livestock auction at the fair grossed more than \$402,000, with 381 animals purchased by 662 buyers.
- During 2002, the fair judged nearly 116,000 exhibits, including almost 12,000 agricultural exhibits. This resulted in \$539,000 paid in prize money to fair participants.

## Fair-Related Businesses: Services to a Golden Industry

Fair-related businesses provide many goods and services that are essential to the fair experience.

- Commercial exhibitors generated \$30.2 million in local spending, \$10.3 million in personal income, 321 local jobs and \$336,043 in local taxes. Attendee spending on commercial exhibitor merchandise totaled \$55.8 million, which generated \$976,006 in local taxes.
- Combined economic impact of spending by commercial exhibitors plus attendee spending on commercial merchandise at fairs and year-round events totaled \$86 million.

- Concessionaires created \$19.5 million in local spending, \$9.6 million in local personal income, 231 local jobs and \$179,265 in local taxes. Attendee direct spending on food and beverages totaled \$25 million, which generated nearly \$437,000 in local taxes.
- Total economic impact from the carnival generated \$1.3 million in local spending, 12 local jobs, \$397,058 in local personal income and \$29,344 in local taxes.
- Entertainment at the fair created \$533,668 in local spending, \$424,321 in local personal income, eight local jobs and \$5,404 in local taxes.

## Community Groups: Mining for Gold

The fair is a major venue for local community groups and nonprofit organizations to raise money and awareness of their programs.

- In 2002, nonprofit groups raised nearly \$407,000 at the Del Mar Fairgrounds for community programs and services. Include the more than \$402,000 raised at the junior livestock auction, and a total of more than \$809,000 was raised for community benefits.
- Twenty-three of California's fairgrounds host a satellite wagering facility at which wagers may be placed on horse racing. A percentage of the total amount wagered is paid to local governments for services provided to the facility. Under this program, the San Diego County Fair contributed \$649,156 to the cities of Del Mar, Solano Beach and San Diego in 2002.

## Attendees: A Golden Treasure

Californians love their fairs and fairground events.

- Fairtime attendance was 1.2 million in 2002, and year-round events attracted nearly 1.7 million people. Total annual attendance at the Del Mar Fairgrounds is nearly 2.9 million people — roughly the same as San Diego County's population of nearly 2.9 million.
- Year-round events demonstrate how well-planned and creative programming can generate community involvement and local revenues. Attendee spending at year-round events totaled more than \$50 million.
- The average visitor attends the fair 1.5 times per year and lives within 100 miles.

## Social and Cultural Impacts: Giving Back

While the economic impact of the fair is remarkable, it is the social and cultural impacts that may leave the most lasting impression on Californians.

- The fair provides a focal point for community members to celebrate their heritage, compete in a variety of events, hold family reunions, display and view artwork, learn about other cultures, premier new inventions, and showcase the best of California.
- Ninety-six percent of attendees agreed that the fair provided worthwhile community benefits.
- The fair is addressing the needs of California's diverse population. It has developed a five-year plan to attract local Hispanic guests and Mexican tourists to the fairgrounds. The fair has declared all Sundays as Dias de Las Familias, and a Plaza de Mexico area was established to educate other guests about Hispanic culture. To make the fairgrounds even friendlier, directional signage is being changed to symbols or to both Spanish and English.

## Conclusion: A Golden Legacy

As this profile of the San Diego County Fair makes clear, hometown fairs entertain and educate, but they also have immense economic, educational, social and cultural impacts.

Fairs embody the community spirit and highlight the diverse citizenry that is the Golden State. The San Diego County Fair is a shining example of leadership in producing authentic cultural programming to increase understanding amongst all Californians. So, as signs at the Del Mar Fairgrounds announce, "Bienvenidos, Amigos – Welcome, Friends."

### Gray Davis, Governor of California

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### San Diego County Fair

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<sup>1</sup> Economic impacts presented in this profile are local in nature and are for San Diego County only. Economic impacts presented in *Fairs: Exploring a California Gold Mine* are for the entire state of California. Since the impact areas in the two studies are different, results of the two studies are not directly comparable.

<sup>2</sup> For study methodology, refer to Appendix B of *Fairs: Exploring a California Gold Mine*.

<sup>3</sup> Jobs are measured by full-time equivalent counts. Due to the heavy reliance on temporary and part-time workers, the actual number of jobs is much greater.

<sup>4</sup> This report was prepared by KPMG at the request of the California Department of Food and Agriculture (CDFA), Division of Fairs and Expositions (F&E) for the exclusive benefit of CDFA-F&E and is subject to limitations described herein. KPMG relied upon data and other information provided by F&E and other sources, which were not independently verified by KPMG.

<sup>5</sup> This profile includes additional economic impacts from attendee spending at two year-round events: the Del Mar Horse Park and the Del Mar Surf & Turf Driving Range & Golf Shop. Attendee spending at these events was inadvertently omitted in the data gathering process; therefore, these events were not included in the statewide economic impact calculations. However, expenditures by the fair organization on these event facilities were included in the statewide impacts. Thus, effect of the omission on the statewide impact calculations is inconsequential.